

House Amendment 8574

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1 1 Amend the amendment, H=8566, to House File 2794 as
1 2 follows:
1 3 #1. Page 20, by inserting after line 3 the
1 4 following:
1 5 <Sec. _____. Section 423B.1, subsection 3, Code
1 6 2005, is amended to read as follows:
1 7 3. A local option tax shall be imposed only after
1 8 an election at which a majority of those voting on the
1 9 question favors imposition and shall then be imposed
1 10 until repealed as provided in subsection 6, paragraph
1 11 "a". If the tax is a local vehicle tax imposed by a
1 12 county, it shall apply to all incorporated and
1 13 unincorporated areas of the county. If the tax is a
1 14 local sales and services tax imposed by a county, it
1 15 shall only apply to those incorporated areas and the
1 16 unincorporated area of that county in which a majority
1 17 of those voting in the area on the tax favors its
1 18 imposition. For purposes of the local sales and
1 19 services tax, all cities contiguous to each other
1 20 shall be treated as part of one incorporated area and
1 21 the tax would be imposed in each of those contiguous
1 22 cities only if the majority of those voting in the
1 23 total area covered by the contiguous cities favors its
1 24 imposition. In the case of a local sales and services
1 25 tax submitted to the registered voters of two or more
1 26 contiguous counties as provided in subsection 4,
1 27 paragraph "c", all cities contiguous to each other
1 28 shall be treated as part of one incorporated area,
1 29 even if the corporate boundaries of one or more of the
1 30 cities include areas of more than one county, and the
1 31 tax shall be imposed in each of those contiguous
1 32 cities only if a majority of those voting on the tax
1 33 in the total area covered by the contiguous cities
1 34 favores its imposition. For purposes of the local
1 35 sales and services tax, a city is not contiguous to
1 36 another city if the only road access between the two
1 37 cities is through another state.
1 38 Sec. _____. Section 423B.1, subsection 4, Code 2005,
1 39 is amended by adding the following new paragraph:
1 40 NEW PARAGRAPH. c. Upon receipt of petitions or
1 41 motions calling for the submission of the question of
1 42 the imposition of a local sales and services tax as
1 43 described in paragraph "a" or "b", the boards of
1 44 supervisors of two or more contiguous counties in
1 45 which the question is to be submitted may enter into a
1 46 joint agreement providing that for purposes of this
1 47 chapter, a city whose corporate boundaries include
1 48 areas of more than one county shall be treated as part
1 49 of the county in which a majority of the residents of
1 50 the city reside. In such event, the county
2 1 commissioners of elections from each such county shall
2 2 cooperate in the selection of a single date upon which
2 3 the election shall be held, and for all purposes of
2 4 this chapter relating to the imposition, repeal,
2 5 change of use, or collection of the tax, such a city
2 6 shall be deemed to be part of the county in which a
2 7 majority of the residents of the city reside. A copy
2 8 of the joint agreement shall be provided promptly to
2 9 the director of revenue.
2 10 Sec. _____. Section 423B.1, subsection 6, paragraph
2 11 a, Code 2005, is amended to read as follows:
2 12 a. If a majority of those voting on the question
2 13 of imposition of a local option tax favors imposition
2 14 of a local option tax, the governing body of that
2 15 county shall impose the tax at the rate specified for
2 16 an unlimited period. However, in the case of a local
2 17 sales and services tax, the county shall not impose
2 18 the tax in any incorporated area or the unincorporated
2 19 area if the majority of those voting on the tax in
2 20 that area did not favor its imposition. For purposes
2 21 of the local sales and services tax, all cities
2 22 contiguous to each other shall be treated as part of
2 23 one incorporated area and the tax shall be imposed in
2 24 each of those contiguous cities only if the majority

2 25 of those voting on the tax in the total area covered
2 26 by the contiguous cities favored its imposition. In
2 27 the case of a local sales and services tax submitted
2 28 to the registered voters of two or more contiguous
2 29 counties as provided in subsection 4, paragraph "c",
2 30 all cities contiguous to each other shall be treated
2 31 as part of one incorporated area, even if the
2 32 corporate boundaries of one or more of the cities
2 33 include areas of more than one county, and the tax
2 34 shall be imposed in each of those contiguous cities
2 35 only if a majority of those voting on the tax in the
2 36 total area covered by the contiguous cities favored
2 37 its imposition.

2 38 PARAGRAPH DIVIDED. The local option tax may be
2 39 repealed or the rate increased or decreased or the use
2 40 thereof changed after an election at which a majority
2 41 of those voting on the question of repeal or rate or
2 42 use change favored the repeal or rate or use change.
2 43 The date on which the repeal, rate, or use change is
2 44 to take effect shall not be earlier than ninety days
2 45 following the election. The election at which the
2 46 question of repeal or rate or use change is offered
2 47 shall be called and held in the same manner and under
2 48 the same conditions as provided in subsections 4 and 5
2 49 for the election on the imposition of the local option
2 50 tax. However, in the case of a local sales and
3 1 services tax where the tax has not been imposed
3 2 countywide, the question of repeal or imposition or
3 3 rate or use change shall be voted on only by the
3 4 registered voters of the areas of the county where the
3 5 tax has been imposed or has not been imposed, as
3 6 appropriate. However, the governing body of the
3 7 incorporated area or unincorporated area where the
3 8 local sales and services tax is imposed may, upon its
3 9 own motion, request the county commissioner of
3 10 elections to hold an election in the incorporated or
3 11 unincorporated area, as appropriate, on the question
3 12 of the change in use of local sales and services tax
3 13 revenues. The election may be held at any time but
3 14 not sooner than sixty days following publication of
3 15 the ballot proposition. If a majority of those voting
3 16 in the incorporated or unincorporated area on the
3 17 change in use favors the change, the governing body of
3 18 that area shall change the use to which the revenues
3 19 shall be used. The ballot proposition shall list the
3 20 present use of the revenues, the proposed use, and the
3 21 date after which revenues received will be used for
3 22 the new use.

3 23 When submitting the question of the imposition of a
3 24 local sales and services tax, the county board of
3 25 supervisors may direct that the question contain a
3 26 provision for the repeal, without election, of the
3 27 local sales and services tax on a specific date, which
3 28 date shall be as provided in section 423B.6,
3 29 subsection 1.

3 30 Sec. ____ Section 423B.5, unnumbered paragraph 1,
3 31 Code Supplement 2005, is amended to read as follows:
3 32 A local sales and services tax at the rate of not
3 33 more than one percent may be imposed by a county on
3 34 the sales price taxed by the state under chapter 423,
3 35 subchapter II. A local sales and services tax shall
3 36 be imposed on the same basis as the state sales and
3 37 services tax or in the case of the use of natural gas,
3 38 natural gas service, electricity, or electric service
3 39 on the same basis as the state use tax and shall not
3 40 be imposed on the sale of any property or on any
3 41 service not taxed by the state, except the tax shall
3 42 not be imposed on the sales price from the sale of
3 43 motor fuel or special fuel as defined in chapter 452A
3 44 which is consumed for highway use or in watercraft or
3 45 aircraft if the fuel tax is paid on the transaction
3 46 and a refund has not or will not be allowed, on the
3 47 sales price from the sale of equipment by the state
3 48 department of transportation, and except the tax shall
3 49 not be imposed on the sales price from the sale or use
3 50 of natural gas, natural gas service, electricity, or
4 1 electric service in a city or county where the sales
4 2 price from the sale of natural gas or electric energy
4 3 is subject to a franchise fee or user fee during the
4 4 period the franchise or user fee is imposed. A local
4 5 sales and services tax is applicable to transactions

4 6 within those incorporated and unincorporated areas of
4 7 the county where it is imposed and shall be collected
4 8 by all persons required to collect state sales taxes.
4 9 All cities contiguous to each other shall be treated
4 10 as part of one incorporated area and the tax would be
4 11 imposed in each of those contiguous cities only if the
4 12 majority of those voting in the total area covered by
4 13 the contiguous cities favors its imposition. In the
4 14 case of a local sales and services tax submitted to
4 15 the registered voters of two or more contiguous
4 16 counties as provided in section 423B.1, subsection 4,
4 17 paragraph "c", all cities contiguous to each other
4 18 shall be treated as part of one incorporated area,
4 19 even if the corporate boundaries of one or more of the
4 20 cities include areas of more than one county, and the
4 21 tax shall be imposed in each of those contiguous
4 22 cities only if a majority of those voting on the tax
4 23 in the total area covered by the contiguous cities
4 24 favored its imposition.>

4 25 #2. Page 31, by striking lines 17 and 18.

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JACOBS of Polk

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4 34 HF 2794.701 81

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